The Czechoslovak Delegation realizes that in reviewing the operation of the General Agreement after almost seven years of its operation the evaluations made of the results achieved and the outlines of the prospects for the future operation are bound to vary according to different economic conditions of various countries. This, however, in no way detracts from the usefulness of such an exchange of views. Even if evaluations of the results achieved differ, this does not preclude the possibility and desirability of a joint effort to draw up recommendations designed to improve the present state of international economic and commercial cooperation and thus to contribute towards the achievement of the final objectives of the Agreement namely of higher living standards for all peoples.

Czechoslovakia unswervingly follows the policy of developing mutually advantageous economic cooperation with all countries of the world which reciprocally demonstrate a similar interest. Czechoslovakia bases its policy in this respect on the possibility and usefulness of peaceful cooperation of all countries irrespective of differences in their economic and social systems. In this connection the expansion of trade with all countries based upon the principles of equality, nondiscrimination and mutual advantages is considered by us as one of the most important instruments for the strengthening of peaceful relations, for the utilization of mutual benefits to be derived from the international subdivision of labour, for the expansion of national economies and for the raising of the standards of living of the peoples.

The objectives of the General Agreement as they were laid down in its preamble seven years ago correspond to the policy to which the Government of Czechoslovakia has ever adhered. The same objectives were subscribed by all the other Contracting Parties at that time. I may recall at this juncture "The proposals for expansion of world Trade" worked out by the State Department of the United States of America. In these Proposals elaborating the policy of the United States of America, one can read that they "reflect awareness that we live in a world of many countries with a variety of economic systems. They seek to make it possible for those systems to meet in the market-place without conflict, thus to contribute each to the other's prosperity and welfare".

The objectives of the General Agreement are based upon the fundamental principles laid down in Art. 55 and 56 of the UN Charter. The Czechoslovak Delegation believes that it is useful in the initial stage of the important and responsible work which is ahead of us to remember these fundamental principles of the UN Charter related to our task. The Charter reads in Art. 55 as follows: "With a view to the creation of conditions of stability and well-being which are necessary for peaceful and friendly relations among nations based on respect for the principle of equal rights and self-determination of peoples, the United Nations shall promote: higher standards of living, full employment, and conditions of economic and social progress..."
and development.

And the Art. 56 of the UN Charter declares that: "All members pledge themselves to take joint and separate action in cooperation with the Organization for the achievement of the purposes set forth in Article 55."

It was on the basis of these fundamental principles that the ECOSOC of the UN in its resolution of February 18th, 1946, decided to call an International Conference on Trade and Employment for the purpose of promoting the expansion of production, exchange and consumption of goods and at the same time decided to constitute a Preparatory Committee to elaborate drafts of several International Agreements relating to employment, trade, restrictive business practices, intergovernmental commodity arrangements, as well as a draft for establishment of an international trade organization having responsibilities in the fields mentioned above. While the Conference on Trade and Employment which met subsequently in Havana in 1947/48 did not achieve its task, the work of the Preparatory Committee resulted in the conclusion of the General Agreement on Tariffs and Trade the operation of which we have just started to review at this session.

The reason why I have dealt at such a length with the objectives of the Agreement is that they are in our view one of the main positive factors of the Agreement designed to provide for a forum capable of friendly settlement by negotiations of economic differences and disputes and in the same time enabling a joint collective solution of important problems of international trade. Now, when reviewing the operation of the Agreement during the past seven years we are bound to state also its negative features and in this respect I will limit myself to those deficiencies which we consider as the main ones:

1. The first refers to the objective of peaceful economic cooperation among all nations. This aim of the agreement not only is far from being achieved but in fact grew even more remote in the past years. The Contracting Parties inspite of having the possibility to contribute to the preservation of peaceful cooperation among all nations through the provisions of the General Agreement, proved in the past unable to oppose the unfavourable and hostile influences aggravating the international situation and preferred to escape the solution of this fundamental problem by merely taking note of activities contrary to the peaceful aims of the UN. I am referring here to the policy of prohibitions and restrictions on the foreign trade with Czechoslovakia adopted by the USA and under their influence by some of other countries.

   The Contracting Parties proved unable to stop this hostile policy against one contracting party and in 1951 they went so far as to take note of the suspension - in breach of the Agreement - of all obligations of the General Agreement between United States and Czechoslovakia and thus of an abrogation of a basic principle of the General Agreement namely of the Most Favoured Nation Principle.

2. The second main deficiency is related to the needs and requirements for economic development of countries which are still in the early stages of industrial development. This problem analyzed in a number of fundamental resolutions of the UN Economic and Social Council is of primary importance. These countries are the hardest hit by regularly recurring symptoms of economic depressions.
The Czechoslovak delegation both at the sessions of the Economic and Social Council and of the Contracting Parties has always held that the industrially developed countries must give full support to the endeavour of the economically less developed countries to the development of their national industries in the interest of strengthening their economic independence and raising the living standards of their peoples. The operation of the Agreement in the past years has shown, however, that the Articles of the Agreement are not meeting adequately the justified demands of the less developed countries for assistance in the development of their national industries. On the contrary we have heard here serious complaints from the representatives of these countries that the Agreement proved in fact to work as an obstacle to their economic development.

3rdly, Mr. Chairman, there is a deficiency of a more general character. The Honorable Minister of France, Mr. Edgar Faure, when evaluating the result of the Agreement, referred to it indirectly by mentioning that an important part of the achievements of the Contracting Parties are those reached "off the record" that is outside of the Agreement. It seems to be a definite feature of the Agreement that — with the exception of the initial reduction of tariffs — GATT is appreciated by the majority of countries more because of what it prevented — supposing it succeeded in doing so — than because of what is positively achieved in the direction of the expansion of trade.

Having mentioned the main deficiencies which we see in the operation of the Agreement so far I will try now to outline shortly the main tasks of the revision as we see them.

1/ We believe that the idea of economic cooperation of countries of different economic systems, should be maintained in the revised Articles of the Agreement. The system of foreign trade in my country differs in various respects from that applied in other countries. We believe that the revised Articles of the Agreement should take account of these differences with the view to enable a stable expansion of trade among countries of different economic systems. My delegation intends to come at a later stage with its suggestions in this respect.

2/ Secondly as for the needs of economic development of under-developed countries: It seems to us that at present there is a certain confusion between, on the one hand, the ends of our efforts namely the expansion of trade with the view to raise the living standards and on the other the means suggested for their attainment namely the removal of the restrictions. The result of this confusion is that economic development is not considered as the aim of the Agreement but rather as an exception which should not be supported but might in best cases only be permitted. We believe that we must not admit any allusion as if there were a contradiction between the needs of expansion of trade and the needs of economic development. We are of the opinion that a sound international trade advantageous to all can be achieved only on the basis of a stable development of national economies. Consequently my delegation intends to support the proposals designed to meet the needs of the underdeveloped countries.

3/ Thirdly as for the necessity of positive constructive actions designed to promote the expansion of trade. The Czechoslovak Delegation wants to draw the attention of the Contracting Parties to a number of important resolutions and measures taken in the field of international trade by the UN Organization both in the Economic and Social Council and in its Regional Commissions. We have in mind especially the
resolution 531 of the XVIIIth session of the Economic and Social Council dealing with the removal of obstacles to the international trade and with the means of developing international cooperation; as well as a number of important resolutions on the economic development of underdeveloped countries. Further the Resolution 557F of the XVIIIth Session of ECOSOC constituting the Commission on International Commodity Trade dealing with the problems of trade in primary commodities. There is further an important decision of the Economic and Social Council regarding interregional trade (resolution 535B of the XVIIIth Session). The Regional Commissions of the Economic and Social Council have already worked out or are working out a number of constructive measures relating to the expansion of trade such as longterm and multilateral trade and payment arrangements, consultations of trade experts, facilitation of meetings of representatives of business circles, organization of international fairs and exhibitions, standardization of export contract conditions, facilitation of arbitration procedures and so forth. None of these important decisions and constructive measures of the United Nations can be disregarded when a concerted action towards expansion of trade is aimed at. When revising the GATT rules it is imperative to take due account of all these international actions in the field of international trade and to seek coordination of policies and activities within the meaning of Art. 58 of the UN Charter. This is the more so, as GATT itself does not cover the entire field of international trade problems as they were envisaged by the resolution of February 18th 1946 of the Economic and Social Council which originally initiated all activities designed for establishment of an international trade organization.

My delegation, Mr. Chairman, in the spirit of peaceful cooperation towards expansion of international trade in the interest of well-being of all the peoples of the world desires to bring an effective contribution to the fulfilment of this task.